



May 20, 1994

Mr. Douglas Stewart
NJDEPE
Bureau of Environmental Evaluation
& Cleanup Responsibility Assessment
401 East State Street; CN 008
Trenton, New Jersey 08625

Re: Hexcel Corporation
205 South Main Street

Lodi, Bergen County, New Jersey

Fine Organics Corporation

ISRA Case No. 86009

Dear Mr. Stewart:

This letter will respond to the May 12, 1994 letter to you from Mr. Higdon of Fine Organics.

As you know Hexcel Corporation had authority to discharge pretreated groundwater which was collecting in a basement area (also known as "basement seepage") to the PVSC pursuant to the authority of the PVSC permit issued to Fine Organics. This authority extended through November 30, 1992. During this period of time Hexcel Corporation did, discharge the pretreated basement seepage to the PVSC. The PVSC advised that after that period of time it would be necessary for Hexcel to establish a separate sewer line and to obtain its own, separate permit in order to continue with the discharge.

As of November 30, 1992 Hexcel ceased all discharges to the PVSC. Thereafter, the basement seepage continued to be treated, collected in tanks on the property, tested, and removed from the site for offsite disposal. Therefore, there has been no discharge to any waters, surface or otherwise. In the report entitled "Feasibility Analysis for a NJDES/DSW Permit" prepared by Environ Corporation dated July 1992, and submitted under cover of letter dated August 21, 1992 to the PVSC, the discharge to surface water, has been eliminated as a viable discharge alternative.

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Fine Organics has consistently, despite repeated requests by Hexcel, refused to execute the endorsements necessary to complete the applications for the construction of the sewer line - a PVSC Sewer Connection Permit, NJDEPE Sewer Connection Permit, and a Stream Encroachment Permit. Accordingly, Hexcel has been precluded from obtaining the necessary PVSC approvals to start up the remediation systems.

At present, the basement seepage is not being treated. Groundwater treatment ceased when Fine Organics, the property owner, advised that their employee, whom they had previously made available to operated the system, would no longer be made available to Hexcel to operate the treatment system. Fine Organics was advised by Hexcel that because of Hexcel's Chapter 11¹ status the recision of the authority to use this employee placed Hexcel in a position in which it could not independently operate the treatment system until such time as the Bankruptcy Court had approved an environmental consultant for this and related activities. Fine Organics was also advised that it had full authority to operate the equipment itself so as to avoid any damage to its plant, equipment, or operations. If Fine Organics has the authority to discharge to the PVSC presumably it could do so. Alternatively, Fine Organics could continue to treat the groundwater and dispose of it offsite as Hexcel had previously been doing. It is therefore clearly within the control of Fine Organics at this point to prevent any damage to their operations.

Finally, we expect that the Bankruptcy Court will approve Hexcel's consultant, GEO Engineering, in about two weeks.

We hope that this letter is responsive to the Fine Organics letter.

Very truly yours,

A. William Nosil

Corporate Environmental Engineering Manager

AWN/smv/L3498

¹ United States Bankruptcy Court in the Northern District of California; Debtor No. 93-48535 T.